

## **FHA SINGLE FAMILY JOINT VENTURE 2008 QUALIFICATION STATEMENT**

The Federal Housing Administration (“FHA”), an organizational unit of the U.S. Department of Housing and Urban Development (“HUD”), is planning to contribute certain HUD-held notes and mortgages secured by single family properties (the “Mortgage Loans”) to a special purpose entity (the “SPE”) in exchange for an interest in the SPE. HUD intends to invite certain qualified bidders to bid, in a sealed bid auction referred to as the Single Family Joint Venture 2008 (“SFJV 2008”), to acquire an interest in the SPE and, therefore, an interest in the Mortgage Loans (this “Sale”). The undersigned (“Bidder”) understands and acknowledges that, before it can register for, or make an offer to bid in this Sale, the Bidder (whether an individual or an entity) must meet certain requirements to be a “qualified bidder.” The information requested herein is being requested for the purpose of providing FHA/HUD with information to determine whether the Bidder is a qualified bidder. All or part of the information provided on this form may also be subject to disclosure under the Freedom of Information Act, 5 U.S.C. § 552(a). Providing the requested information is voluntary; however, failure to furnish all of the requested information may result in the prospective purchaser not being permitted to bid at this Sale and/or not receiving notice of future HUD/FHA sales initiatives.

**NOTICE:** Anyone who knowingly or willfully makes false or fraudulent statements or representations in connection with the disclosures or certifications herein will be referred to the Office of Inspector General and/or the appropriate law enforcement officials for investigation and legal enforcement and may be subject to fines, imprisonment, or both. See 18 U.S.C. §§ 1001, 1010, 1012.

**NOTE:** The following information is being solicited with respect to the individual or entity that will submit a bid to acquire (through a wholly-owned subsidiary to be formed by it (the “Acquisition Entity”) an interest in the SPE. At the time a bid is submitted, each bidder will be required to identify any individuals or entities with which the bidder intends to team if it is selected as the successful bidder. Each such team participant must either be a qualified bidder or have satisfied any requirements HUD may establish for such teaming arrangements prior to the bid date.

I. Bidder Information:

A. \_\_\_\_\_

Name of Bidder

B. \_\_\_\_\_

Corporate or Other Entity Type and State of Organization (if applicable)

- C. \_\_\_\_\_  
Address of Bidder
- D. \_\_\_\_\_  
City, State, Zip Code
- E. \_\_\_\_\_ F. \_\_\_\_\_  
Phone Telecopy
- G. \_\_\_\_\_ H. \_\_\_\_\_  
Bidder Tax I.D. E-mail Address
- I. Please check the description that best describes Bidder's business designation:
- |                              |                            |
|------------------------------|----------------------------|
| Commercial Bank              | Insurance Company          |
| Savings Association/Bank     | Financial Services Company |
| Mortgage Banker              | Pension Fund               |
| Investment Bank              | Real Estate Company        |
| Other, please describe _____ |                            |

- I. Bidder Qualification. The Bidder understands that, if it is determined to be a "qualified bidder" for this Sale, its status as such does not necessarily mean that it will be a "qualified bidder" for any other mortgage loans or assets offered in any other FHA/HUD sale. The Bidder also understands that its status as a "qualified bidder" for any other FHA/HUD sale does not necessarily mean that it will be a "qualified bidder" for this Sale. **ONLY THE NAMED BIDDER IN THIS QUALIFICATION STATEMENT, IF QUALIFIED, WILL BE ALLOWED TO BID IN THIS SALE. Bidder hereby certifies, represents and warrants to FHA/HUD that it is a "qualified bidder" based upon Bidder's satisfaction of one or more of the following qualifying statements 1 through 4. Bidder must check one or more of the following qualifying statements 1 through 4 to register to bid in this Sale and to qualify as a "qualified bidder" to acquire (through the Acquisition Entity) an interest in the SPE and, indirectly, through the SPE, an interest in the Mortgage Loans (CHECK ALL THAT ARE APPROPRIATE):**

( ) 1. Bidder is a corporation, partnership, limited liability company or business trust with a net worth in excess of \$5,000,000 determined in accordance with Generally Accepted Accounting Principles, consistently applied ("GAAP"), and was not formed for the specific purpose of acquiring an interest in the SPE or the Mortgage Loans.

( ) 2. Bidder is a bank (as defined in Section 3(a)(2) of the Securities Act of 1933, as amended (the "Act")), savings and loan association or other institution (as defined in Section 3(a)(5)(A) of the Act), insurance company (as defined in Section 2(a)(13) of the Act), investment company registered under or business development company as defined in the Investment Company Act of 1940, as amended, or a broker or dealer registered

under Section 15 of the Securities Exchange Act of 1934, as amended, in each case with a net worth in excess of \$5,000,000 determined in accordance with GAAP.

(\_\_\_\_\_) 3. Bidder is a trust, with a net worth in excess of \$5,000,000 determined in accordance with GAAP, not formed for the specific purpose of acquiring an interest in the SPE or the Mortgage Loans, and whose decision to purchase an interest in the SPE and, indirectly, the Mortgage Loans is directed by a person who has such knowledge and experience in financial and business matters that he or she is capable of evaluating the merits and risks of acquiring an interest in the SPE and the Mortgage Loans.

(\_\_\_\_\_) 4. Bidder is a business entity, all of whose equity owners are entities that meet the requirements in statement (1), (2) or (3) above.

**By executing this Qualification Statement, Bidder certifies, represents and warrants to FHA/HUD that EACH of the following statements A through and including J is true and correct as to such Bidder** (and, in the case of the following statements B, C, D and E, as to the Acquisition Entity (as if it was named herein as the “Bidder”));

- A. Bidder is an entity that either (i) is in the business of buying, originating or selling mortgage loans of the same type as the Mortgage Loans or (ii) otherwise deals in assets identical or similar to the Mortgage Loans in the ordinary course of such Bidder’s business. Bidder has such knowledge and experience in the origination, sale and/or purchase of performing and non-performing or distressed loans, including, without limitation, loans secured by real estate or other types of collateral, as well as knowledge and experience, by itself or with its advisers, in other financial and business matters, as to enable Bidder to utilize the information made available in connection with this Sale to evaluate the merits and risks of a prospective acquisition of an interest in the SPE and the Mortgage Loans and to make an informed decision with respect thereto. The Acquisition Entity will, at the time of any acquisition (or deemed acquisition) by it of any interest in the SPE, be a wholly-owned subsidiary of Bidder and (without limitation of the foregoing) a business entity all of whose equity owners are entities that meet the requirements in statement (1), (2) or (3) above.
- B. Bidder acknowledges, understands and is able to bear the economic risks associated with the acquisition and ownership of an interest in the SPE and the Mortgage Loans, including, without limitation, the risk of a total loss of Bidder’s investment in the SPE and the Mortgage Loans and/or the risk that Bidder may be required to hold its interest in the SPE and the Mortgage Loans for an indefinite period of time.
- C. Bidder acknowledges and agrees that information, including summary data, will be made available to assist Bidder in evaluating the risks involved in acquiring an interest in the SPE and the Mortgage Loans and whether or not it chooses to review any information that is made available to it, Bidder has the ability and shall be responsible for making its own independent investigation and evaluation of the Mortgage Loans and the economic, credit or other risks involved in an acquisition of an interest in the SPE and the

Mortgage Loans, including, without limitation, the restrictions on resale or other liquidation upon any of the Mortgage Loans.

- D. Bidder is bidding for and will acquire an interest in the SPE and the Mortgage Loans for its own account, and not for or with a view toward resale in a distribution within the meaning of the Act, and in the event Bidder acquires an interest in the SPE, Bidder will not (i) offer, pledge, sell or otherwise dispose of any interest in the SPE or any Mortgage Loan (or any interest therein or evidence thereof) to, or (ii) solicit any offer to buy or accept a transfer, pledge or other disposition of any interest in the SPE or any Mortgage Loan (or any interest therein or evidence thereof) from, or (iii) otherwise approach or negotiate with respect to any interest in the SPE or any Mortgage Loan (or any interest therein or evidence thereof) with, any person or entity in any manner, or take any other action, that would render the transfer to Bidder of any interest in the SPE or any resulting interest in any Mortgage Loan a violation of any law, rule, regulation or requirement relating to the issuance, regulation, registration or disposition of securities, nor will it so act, nor will it authorize any person or entity to so act, in any manner with respect to any interest in the SPE or any Mortgage Loan (or interest therein or evidence thereof). Bidder's investment in the SPE and the resulting investment in the Mortgage Loans will comply with all applicable laws, rules, regulations and requirements, including, without limitation, any and all laws and/or restrictions imposed on resale of any interest in the SPE and the Mortgage Loans by federal and state securities or Blue Sky laws, rules, regulations or requirements.
- E. Bidder acknowledges and agrees that (i) the proposed sale of an interest in the SPE and the Mortgage Loans is not intended to constitute the sale of a "security" within the meaning of the Act or any applicable federal or state securities laws, (ii) no inference that an interest in the SPE or the Mortgage Loans is a "security" under such federal or state securities laws shall be drawn from any of the certifications, representations or warranties made by Bidder in this Qualification Statement for purposes of qualifying Bidder as a "qualified bidder" at this Sale, (iii) it is not contemplated that any filing will be made with the Securities and Exchange Commission or pursuant to the Blue Sky or securities laws of any jurisdiction, and (iv) if an interest in the SPE or the Mortgage Loans is a security, such may not be resold or otherwise transferred by Bidder or the SPE (as applicable) except in accordance with any and all applicable securities and Blue Sky laws.
- F. Bidder represents and warrants that it is not any of the following: (i) an entity (or the controlling persons or any agent, employee, partner, director, principal or affiliate of any of the foregoing) debarred or suspended from doing business with HUD pursuant to Title 24 of the Code of Federal Regulations, Part 24; (ii) an employee of HUD, a member of any such employee's household, or an entity controlled by any such employee or member of such an employee's household; (iii) a contractor, subcontractor and/or consultant or advisor (including any agent, employee, partner, director,

principal or affiliate of any of the foregoing) who will perform or has performed services for, or on behalf of, HUD in connection with this Sale, (iv) an individual that was a principal, partner, director, agent or employee of any entity or individual described in subsection (iii) above, at any time during which the entity or individual performed services for, or on behalf of, HUD in connection with this Sale; or (v) an individual or entity that has used or will use the services, directly or indirectly, of any person or entity ineligible under any of subsections (i)-(iv) above to assist in the preparation of any of its bids in connection with this Sale.

- G. Bidder represents and warrants that it has not submitted (and will not during the course of the Sale submit) to HUD a claim under the FHA NOW Pilot in connection with any Mortgage Loans in this Sale (an entity submitting such a claim being referred to herein as a "Participating Servicer.") Bidder represents and warrants that, as part of any bid it submits to HUD in this Sale, Bidder will execute and deliver to HUD a "Certificate of Independent Price Determination and Identification of Any Entities or Individuals Teaming With Bidder," in the form attached hereto as Exhibit "A."
- H. Bidder represents and warrants that it will not release or disclose to any Participating Servicer Bidder's bid, information reflecting or evidencing the submission of its bid or the pricing matrix or other information used in preparing its bid.
- I. Bidder represents and warrants that it has full authority to deliver this Qualification Statement and that the individual executing this Qualification Statement has full authority to do so on behalf of Bidder and all principals thereof.
- J. Within the past ten (10) years, neither Bidder, nor any person or entity controlling Bidder, (i) has had entered against it an order for relief under the United States Bankruptcy Code, as amended, or under any other law relating to bankruptcy, insolvency or reorganization or relief of creditors, (ii) has failed to pay, or admitted in writing its inability to pay, its debts generally as they become due, (iii) has made a general assignment for the benefit of its creditors, (iv) has had appointed, or applied for, sought, consented to, or acquiesced in, the appointment of a receiver, custodian, trustee, examiner, liquidator or similar official for it or any substantial part of its assets or properties, (v) has instituted any proceeding seeking to have entered against it an order for relief under the United States Bankruptcy Code, as amended, to adjudicate it insolvent, or seeking dissolution, winding up, liquidation, reorganization, arrangement, adjustment or composition of it or its debts under any law relating to bankruptcy, insolvency or reorganization or relief of debtors or failed to file an answer or other pleading (within the time frame by which such answer or other pleading is due) denying the material allegations of any such proceeding filed against it, or (vi) has taken any corporate,

partnership or similar (as applicable) action to authorize any matter described in any of clauses (i) through (v) of this paragraph.

Bidder understands that the above certifications, representations, and warranties are made for the purpose of qualifying Bidder as a “qualified bidder” at this Sale. Bidder hereby represents that the above certifications and all information provided herein are true and correct in all material respects as of the date hereof and will be true and correct in all material respects as of the time the Acquisition Entity purchases any interest in the SPE and the SPE first purchases any of the Mortgage Loans, and understands that FHA/HUD is relying upon the truthfulness and correctness of such statements.

Bidder acknowledges and agrees that FHA/HUD has the right to request additional or updated information at any time, including, without limitation, financial statements and/or confirmation of the representations, warranties and certifications made herein. Bidder authorizes, and has the authority to authorize, FHA/HUD and its agents to conduct credit and other investigations of Bidder through appropriate third-party reporting agencies. Bidder further acknowledges and agrees that FHA/HUD may, in its sole discretion, refuse to qualify any prospective bidder who, in FHA/HUD’s sole judgment, does not have the requisite knowledge and experience to enable such bidder to evaluate the merits and risks of purchasing and to make an informed decision with respect to the purchase of an interest in the SPE and the Mortgage Loans.

Dated: \_\_\_\_\_, 2008

BIDDER: \_\_\_\_\_  
(Print or Type Name of Bidder)

By: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Print Title: \_\_\_\_\_